FINDING OF SUITABILITY TO TRANSFER (FOST)

Sierra Army Depot

North East Shore and West Airfield Remainder Parcels

August 2005

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1. Purpose

The purpose of this Finding of Suitability to Transfer (FOST) is to document the environmental suitability of certain property at Sierra Army Depot (SIAD) for transfer to the Lassen County Local Reuse Authority (LCLRA) consistent with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Section 120(h) and Department of Defense (DOD) policy. In addition, the FOST includes the CERCLA Notice, Covenant, and Access Provisions and other Deed Provisions (Enclosure 5) and the Environmental Protection Provisions (EPPs) (Enclosure 6) necessary to protect human health and the environment after transfer.

2. PROPERTY DESCRIPTION

In September 2004, the Army completed the North East Shore/West Airfield/North Cross Depot Access Parcel FOST (the "North East Shore FOST"). At that time the Army prepared the FOST, it had not completed a munitions response on approximately 130.97 acres of the remainder of the North East Shore (Parcel 5, Figure 1, Enclosure 1) and approximately 4.57 acres of the remainder of the West Airfield (Parcel 6, Figure 1, Enclosure 1). The Army has now completed the required munitions response and has prepared this FOST to allow the transfer of these remaining parcels of land. The parcels (the Property) to be transferred consists of the North East Shore Remainder and West Airfield Remainder total 135.54 acres of undeveloped land. The Army previously used the Property as a function test and buffer area for the Former Honey Lake Demolition Range and as undeveloped open space. The Property is intended to be transferred as open space, which is consistent with the intended reuse of the Property indicated in the LCLRA Reuse Plan. (Enclosure 1 provides a site map of the Property).

3. Environmental Documentation

A determination of the environmental condition of the Property was made based upon the Revised Final Environmental Baseline Survey CERFA Report, Sierra Army Depot Reuse Parcels Lassen County, California, March 2001 (EBS), and the Environmental Assessment for the Disposal and Reuse of the BRAC Parcels at Sierra Army Depot, California, February 1998. The information provided in this FOST is a result of a complete search of agency files during the development of these environmental surveys.

A complete list of documents providing information on environmental conditions of the Property is attached (Enclosure 2).

4. Environmental Condition of Property

The DOD Environmental Condition of Property (ECP) category for the Property is: ECP Category 4.

A summary of the ECP categories for specific buildings, parcels, or operable units and the ECP category definitions is provided in Table 1 – Description of Property (Enclosure 3).

4.1. MUNITIONS AND EXPLOSIVES OF CONCERN (MEC)

Based on a review of existing records and available information, there is evidence that Munitions and Explosives of Concern (MEC) may be present on the Property. The term "MEC" means military munitions that may pose unique explosives safety risks, including: (A) unexploded ordnance (UXO), as defined in 10 U.S.C. §101(e)(5); (B) discarded military munitions (DMM), as defined in 10 U.S.C. §2710(e)(2); or (C) munitions constituents (e.g., TNT, RDX), as defined in 10 U.S.C. §2710(e)(3), present in high enough concentrations to pose an explosive hazard.

The Property was previously used as a buffer area for the former Honey Lake Demolition Area operations that were conducted from October 1945 to the mid 1950s. The Honey Lake Demolition Area is adjacent to the Property. The open burning (OB) and open detonation (OD) conducted at the Honey Lake Demolition Area resulted in placement of discarded military munitions (DMM) and munitions debris on the Property. In addition, a portion of the Property was used as a Function Test Range for the functional testing of military munitions. This testing also resulted in placement of DMM and munitions debris on the Property.

From August 2004 to March 2005, the Army investigated all of the Property with handheld metal detectors. During this munitions response the Army investigated all anomalies and removed all metal items larger than a 20 mm projectile (i.e., a metallic object 4/5 inch by 4 inches). The Army recovered a total of 631 DMM items (e.g., fuzes and partially detonated munitions) that were discovered. In addition, 31,838 pounds of munitions debris and 7,480 pounds of non-MEC related scrap were removed from the Property. All of the DMM, except for one, were shipped to Clean Harbors Environmental Services, Colfax, Louisiana for destruction. The one DMM that was determined to be unsafe to move was detonated on site.

The Property also had a berm that the Army used as part of a 50 caliber machine gun firing range from 1963 to 1977. The berm was approximately 75 feet by 25 feet by 15 feet high. As part of the munitions response, the Army completed a surface and subsurface (to detected depth) removal of DMM and removed munitions constituents in the form of lead bullets and lead contaminated soil. The Army then removed the berm to ground level by spreading the berm's soil over the site. A total of 75 tons of lead contaminated soil were removed and disposed of at Kettleman City Secure Landfill, Kettleman City, California. The Army also removed a total of 50 pounds of munitions debris, and no DMM or non-MEC related scrap from the berm.

A copy of the Munitions and Explosives of Concern (MEC) Munitions Response Statement (Enclosure 6) concluded that the completed munitions response allows the Property's release for unrestricted use. The Department of Defense Explosives Safety Board has reviewed and approved the explosives safety provisions of this FOST (Enclosure 8). A summary of MEC discovered on the Property is provided in Table 2 – Notification of Munitions and Explosives of Concern (Enclosure 4). Given the Property's past use, the deed will include the Table 2 - Notification of MEC (Enclosure 4) and a MEC Notice (Enclosure 6).

Note – The California Department of Toxic Substances Control (DTSC) previously prepared a land use covenant that was executed and recorded as part of the North East Shore, West Airfield, and North Cross Depot Access property transfer. The land use covenant restricted certain future land uses (e.g., residential, hospital, schools, and daycare); soil disturbance at or below one (1) foot below grade without a DTSC approved site safety plan; and removal of soil from the transferred property without DTSC approval. Additionally, the land use covenant required an annual inspection for compliance with any of the restrictions by DTSC or future owners. The DTSC will prepare a similar land use covenant for the Property.

4.2. Environmental Remediation Sites

There are no environmental remediation sites and no evidence of groundwater contamination on the Property. However, a munitions response was conducted on the Property. As a result of field investigations and munitions response, 631 DMM items (e.g., fuzes and partially detonated munitions) and 75 tons of lead-contaminated soil were removed from the Property. See Section 4.1 for additional information.

4.3. STORAGE, RELEASE, OR DISPOSAL OF HAZARDOUS SUBSTANCES

There is no evidence that hazardous substances were stored on the Property in excess of the 40 CFR Part 373 reportable quantities. As a result of field investigations and munitions response, 631 DMM items (e.g., fuzes and partially detonated munitions) and 75 tons of lead-contaminated soil were removed from the Property. These DMM items contained explosives and were determined to present an explosive hazard. Because these DMM items were capable of detonation or explosive reaction, they have been identified as characteristic (reactivity) hazardous waste, and therefore, are also hazardous substances. As such, the Army is reporting that these hazardous substances were stored, released, or disposed on the Property in excess of the reportable quantities listed in 40 CFR Part 373. A summary of MEC discovered on the property is provided in Table 2 – Notification of Munitions and Explosives of Concern (Enclosure 4). See Section 4.1 for additional information.

4.4. PETROLEUM AND PETROLEUM PRODUCTS

4.4.1. UNDERGROUND AND ABOVE-GROUND STORAGE TANKS (UST/AST)

There is no evidence that petroleum products were stored in underground or above-ground storage tanks on the Property.

4.4.2. Non-UST/AST Storage, Release, or Disposal of Petroleum Products

There is no evidence that non-UST/AST petroleum products in excess of 55 gallons were stored for one year or more on the Property.

4.5. POLYCHLORINATED BIPHENYLS (PCB)

There is no evidence that PCB-containing equipment is located or was previously located on the Property.

4.6. ASBESTOS

There is no evidence that buildings or structures with Asbestos Containing Material (ACM) are located on the Property.

4.7. LEAD-BASED PAINT (LBP)

There is no LBP on the Property.

4.8. RADIOLOGICAL MATERIALS

There is no evidence that radioactive material or sources were stored or used on the Property.

4.9. RADON

There were no radon surveys conducted on the Property.

4.10. OTHER PROPERTY CONDITIONS

There are no other hazardous conditions on the Property that present an unacceptable risk to human health and the environment.

5. ADJACENT PROPERTY CONDITIONS

The following other potentially hazardous conditions exist on adjacent property: The Army used the former Honey Lake Demolition Area OB/OD operations from October 1945 through the mid 1950s. This demolition area is on the lakebed of Honey Lake and borders the Property on the west boundary of the Property. The OB/OD conducted at the demolition area resulted in placement of DMM that created potential explosive hazards. The adjacent Honey Lake Demolition Area does not present an unacceptable risk to human health and the environment because the Army completed an interim action—a munitions response (surface removal of MEC) of the lakebed portion of the Honey Lake Demolition Area. In addition, the Army installed warning signs on both the lakebed and on the access roads to the Property to deter unauthorized access to

areas that potentially contain MEC. Any future munitions response actions on the adjacent property will be determined, in concert with future recipients and regulators, by the results of the Honey Lake Demolition Area Engineering Evaluation/Cost Analysis (EE/CA) that is scheduled for completion in the near future.

6. Environmental Remediation Agreements

The following environmental orders/agreements are applicable to the Property: Federal Facility Site Remediation Agreement (FFSRA) dated 30 May 1991. The former Honey Lake Demolition Area is an FFSRA study area/operable unit. All remediation activities on the Property, required by such agreement or order, are completed (See Section 4.1 Environmental Remediation Sites). The deed will include a provision reserving the Army's right to conduct remediation activities (Enclosure 6).

7. REGULATORY/PUBLIC COORDINATION

The Army notified the U.S. EPA Region IX, the DTSC, and the public of this FOST's initiation. No, regulatory or public comments were received during the public comment period.

8. NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) COMPLIANCE

The Army analyzed the environmental impacts associated with the proposed transfer of the Property per the National Environmental Policy Act (NEPA). The results of this analysis are documented in the Environmental Assessment for the Disposal and Reuse of the BRAC Parcels at Sierra Army Depot, California, February 1998. There were no encumbrances or condition identified in the NEPA analysis as necessary to protect human health or the environment.

9. FINDING OF SUITABILITY TO TRANSFER

Based on the above information, I conclude that all removal or remedial actions necessary to protect human health and the environment have been taken and the Property is transferable under CERCLA section 120(h)(3). In addition, all DOD requirements to reach a finding of suitability to transfer have been met, subject to the terms and conditions set forth in the attached Environmental Protection Provisions that shall be included in the deed for the Property. The deed will also include the CERCLA 120(h)(3) Notice, Covenant, and Access Provisions and Other Deed Provisions.

Dr. Daphne Kamely

Daphue Harmely

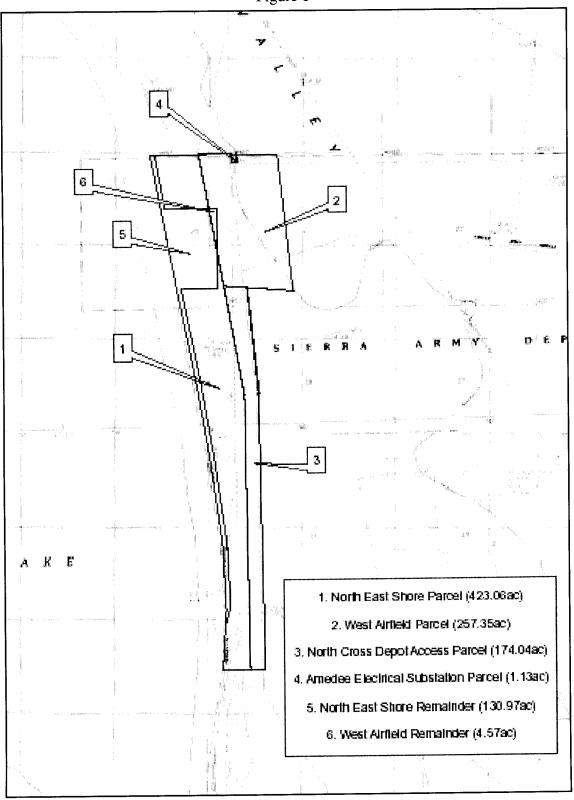
Acting Deputy Assistant Secretary of the Army (Environment, Safety and Occupational Health)
OASA(I&E)

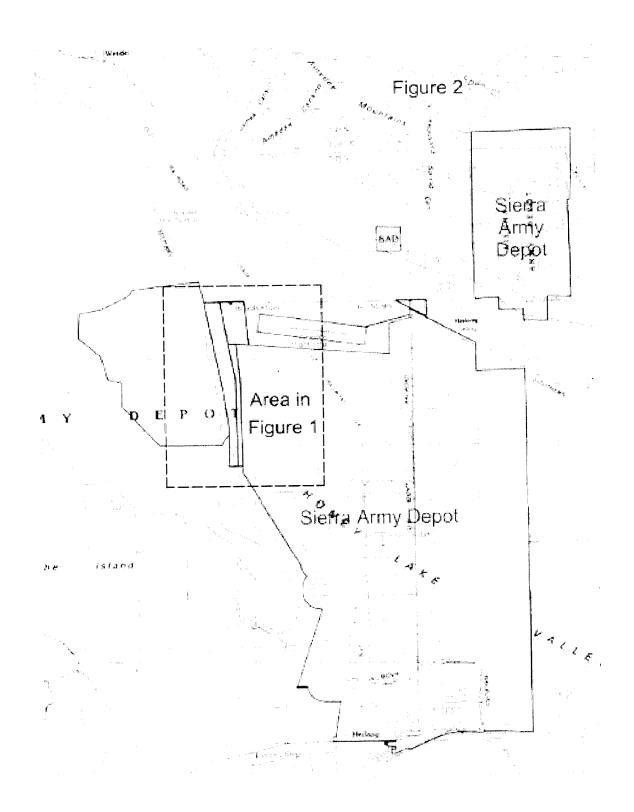
8 Enclosures

- Encl 1 -- Site Map of Property, Figure 1, Figure 2
- Encl 2 Environmental Conditions Documentation
- Encl 3 -- Table 1 -- Description of Property
- Encl 4 -- Table 2 -- Notification of Munitions and Explosives of Concern
- Encl 5 -- CERCLA Notice, Covenant, and Access Provisions and Other Deed Provisions
- Encl 6 -- Environmental Protection Provisions
- Encl 7 -- MEC Munitions Response Statement Removal
- Encl 8 DDESB Approval of Explosives Safety Provisions

ENCLOSURE 1 SITE MAP OF PROPERTY

Figure 1





ENVIRONMENTAL CONDITIONS DOCUMENTATION

- Munitions Response Removal Action Report, East Shore Area, June, 2005
- MEC Munitions Response Statement, June, 2005
- Action Memorandum, Volume I, Engineering Evaluation/Cost Analysis, Former Honey Lake Demolition Range - East Shore Area, Sierra Army Depot, Lassen County California, April 2004, revised August 2004
- Volume I, Engineering Evaluation/Cost Analysis, Former Honey Lake Demolition Range - East Shore Area, Sierra Army Depot, Lassen County California, April 2004
- Revised Final Environmental Baseline Survey CERFA Report, Sierra Army Depot Reuse Parcels Lassen County, California March 2001
- Environmental Assessment for the Disposal and Reuse of the BRAC Parcels at Sierra Army Depot, California January 1998
- Final Supplemental Environmental Assessment of BRAC Excess Property at Sierra Army Depot, California September 1999
- Ordnance and Explosives Archives Search Report Findings for the Honey Lake Range Lassen County, California September 1996

TABLE 1 – DESCRIPTION OF PROPERTY

Building Number and Property Description	EBS Parcel Designation	Condition Category	Remedial Actions
North East Shore Remainder Parcel (approximately 130.97 acres)	N/A	4	MEC removal action. See Table 2 – Notification of Munitions and Explosives of Concern (MEC) for additional information.
West Airfield Remainder Parcel (approximately 4.57 acres)	N/A	4	MEC removal action. See Table 2 – Notification of Munitions and Explosives of Concern (MEC) for additional information.

<u>Category 1</u>: Areas where no release or disposal of hazardous substances or petroleum products has occurred (including no migration of these substances from adjacent areas)

Category 2: Areas where only release or disposal of petroleum products has occurred.

<u>Category 3</u>: Areas where release, disposal, and/or migration of hazardous substances has occurred, but at concentrations that do not require a removal or remedial response.

<u>Category 4</u>: Areas where release, disposal, and/or migration of hazardous substances has occurred, and all removal or remedial actions to protect human health and the environment have been taken.

TABLE 2 - NOTIFICATION OF MUNITIONS AND EXPLOSIVES OF CONCERN (MEC)*

Site	Type of MEC	Date of MEC Activity	Munitions Response Actions
Former Honey Lake Demolition Range/ Function Test Range	Military Munitions (DMM)	1945-mid 1950's	From August 2004 to March 2005, the Army investigated the entire Property with handheld metal detectors. The Army investigated all detected anomalies and removed all metal items larger than a 20 mm projectile (i.e., a metallic object 4/5 inch by 4 inches). DMM items were detected to depths of 55 inches below the ground surface using the Minelab Explorer. A total of 631 DMM items (e.g., fuses and partially detonated munitions) were removed from the Property. In addition, 31,838 pounds of munitions debris and 7,480 pounds of non-MEC related scrap were removed from the Property. All of the DMM except for one DMM were shipped to Clean Harbors Environmental Services, Colfax, Louisiana for destruction. The one DMM that was determined to be unsafe to move was detonated on site. In addition, the Property had a berm that was used as part of a 50 caliber machine gun firing range from 1963 to 1977. The berm was approximately 75 ft. by 25 ft. by 15 ft. high. As part of its munitions response, the Army completed a surface and subsurface (to detected depth) removal of DMM and removed munitions constituents in the form of lead bullets and lead-contaminated soil. The Army then removed the berm to ground level by spreading the berm's soil over the site. The Army removed 75 tons of lead-contaminated soil and disposed of it at Kettleman City Secure Landfill, Kettleman City, California. The Army also removed a total of 50 pounds of munitions debris, and no DMM or non-MEC related scrap from the berm.

*Munitions and Explosives of Concern (MEC). This term, which distinguishes specific categories of military munitions that may pose unique explosives safety risks, means: (A) Unexploded Ordnance (UXO), as defined in 10 §101(e)(5); (B) Discarded military munitions (DMM), as defined in 10 U.S.C. §2710(e)(2); or (C) Munitions constituents (e.g., TNT, RDX), as defined in 10 U.S.C. §2710(e)(3), present in high enough concentrations to pose an explosive hazard.

CERCLA NOTICE, COVENANT, AND ACCESS PROVISIONS AND OTHER DEED PROVISIONS

The following CERCLA Notice, Covenant, and Access Provisions, along with the Other Deed Provisions, will be placed in the deed in a substantially similar form to ensure protection of human health and the environment and to preclude any interference with ongoing or completed remediation activities.

1. CERCLA NOTICE

For the Property, the Grantor provides the following notice, description, and covenant:

A. Pursuant to section 120(h)(3)(A)(i)(I) and (II) of the Comprehensive Environmental
Response, Compensation, and Liability Act of 1980 (42 U.S.C. § 9620(h)(3)(A)(i)(I) and (II)),
available information regarding the type, quantity, and location of hazardous substances and the
time at which such substances were stored, released, or disposed of, as defined in section 120(h), is
provided in Exhibit [The FOST Table 2 - Notification of Munitions and Explosives of
Concern (MEC) should be included as the deed exhibit.], attached hereto and made a part
hereof. Additional information regarding the storage, release, and disposal of hazardous substances
on the Property has been provided to the Grantee, receipt of which the Grantee hereby
acknowledges. Such additional information includes, but is not limited to, the following
documents:

- Action Memorandum, Volume I, Engineering Evaluation/Cost Analysis, Former Honey Lake Demolition Range - East Shore Area, Sierra Army Depot, Lassen County California, April 2004, revised August 2004
- Volume I, Engineering Evaluation/Cost Analysis, Former Honey Lake Demolition Range East Shore Area, Sierra Army Depot, Lassen County California, April 2004.
- B. Pursuant to section 120(h)(3)(A)(i)(III) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. § 9620(h)(3)(A)(i)(III)), a description of the remedial action taken, if any, on the Property is provided in Exhibit _____[the FOST Table 2 Notification of Munitions and Explosives of Concern (MEC should be included as the deed exhibit], attached hereto and made a part hereof. Additional information regarding the remedial action taken, if any, has been provided to the Grantee, receipt of which the Grantee hereby acknowledges. Such additional information includes, but is not limited to, the following documents: Munitions Response Removal Action Report, East Shore Area, June, 2005, MEC Munitions Response Statement, June, 2005.

2. CERCLA COVENANT

Pursuant to section 120(h)(3)(A)(ii) and (B) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §9620(h)(3)(A)(ii) and (B)), the United States warrants that -

- A. All remedial action necessary to protect human health and the environment with respect to any hazardous substance identified pursuant to section 120(h)(3)(A)(i)(I) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 remaining on the Property has been taken before the date of this Deed, and
- B. Any additional remedial action found to be necessary after the date of this Deed shall be conducted by the United States.

This warranty shall not apply in any case in which the person or entity to whom the property is transferred is a potentially responsible party with respect to the Property. For purposes of this warranty, Grantee shall not be considered a potentially responsible party solely due to the presence of a hazardous substance remaining on the Property on the date of this Deed, provided that Grantee has not caused or contributed to a release of such hazardous substance.

3. RIGHT OF ACCESS

- A. Pursuant to section 120(h)(3)(A)(iii) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [42 U.S.C. § 9620(h)(3)(A)(iii)], the United States retains and reserves a perpetual and assignable easement and right of access on, over, and through the Property, to enter upon the Property in any case in which an environmental response action or corrective action is found to be necessary on the part of the United States, without regard to whether such environmental response action or corrective action is on the Property or on adjoining or nearby lands. Such easement and right of access includes, without limitation, the right to perform any environmental investigation, survey, monitoring, sampling, testing, drilling, boring, coring, testiting, installing monitoring or pumping wells or other treatment facilities, response action, corrective action, or any other action necessary for the United States to meet its responsibilities under applicable laws and as provided for in this Deed. Such easement and right of access shall be binding on the Grantee, its successors and assigns, and shall run with the land.
- B. In exercising such easement and right of access, the United States shall provide the Grantee or its successors or assigns, as the case may be, with reasonable notice of its intent to enter upon the Property and exercise its rights under this covenant, which notice may be severely curtailed or even eliminated in emergency situations. The United States shall use reasonable means, but without significant additional costs to the United States, to avoid and to minimize interference with the Grantee's and the Grantee's successors' and assigns' quiet enjoyment of the Property. Such easement and right of access includes the right to obtain and use utility services, including water, gas, electricity, sewer, and communications services available on the Property at a reasonable charge to the United States. Excluding the reasonable charges for such utility services, no fee, charge, or compensation will be due the Grantee nor its successors and assigns, for the exercise of the easement and right of access hereby retained and reserved by the United States.

C. In exercising such easement and right of access, neither the Grantee nor its successors and assigns, as the case may be, shall have any claim at law or equity against the United States or any officer, employee, agent, contractor of any tier, or servant of the United States based on actions taken by the United States or its officers, employees, agents, contractors of any tier, or servants pursuant to and in accordance with this covenant. In addition, the Grantee, its successors and assigns, shall not interfere with any response action or corrective action conducted by the Grantor on the Property.

4. "AS IS"

- A. The Grantee acknowledges that it has inspected or has had the opportunity to inspect the Property and accepts the condition and state of repair of the Property. The Grantee understands and agrees that the Property and any part thereof is offered "AS IS" without any representation, warranty, or guaranty by the Grantor as to quantity, quality, title, character, condition, size, or kind, or that the same is in condition or fit to be used for the purposes intended by the Grantee, and no claim for allowance or deduction upon such grounds will be considered.
- B. No warranties, either express or implied, are given with regard to the condition of the Property, including, without limitation, whether the Property does or does not contain asbestos or lead-based paint. The Grantee shall be deemed to have relied solely on its own judgment in assessing the overall condition of all or any portion of the Property, including, without limitation, any asbestos, lead-based paint, or other conditions on the Property. The failure of the Grantee to inspect or to exercise due diligence to be fully informed as to the condition of all or any portion of the Property offered, will not constitute grounds for any claim or demand against the United States.
- C. Nothing in this "As Is" provision will be construed to modify or negate the Grantor's obligation under the CERCLA Covenant or any other statutory obligations.

5. HOLD HARMLESS

- A. To the extent authorized by law, the Grantee, its successors and assigns, covenant and agree to indemnify and hold harmless the Grantor, its officers, agents, and employees from (1) any and all claims, damages, judgments, losses, and costs, including fines and penalties, arising out of the violation of the notices, use restrictions, and restrictive covenants in this Deed by the Grantee, its successors and assigns, and (2) any and all any and all claims, damages, and judgments arising out of, or in any manner predicated upon, exposure to asbestos, lead-based paint, or other condition on any portion of the Property after the date of this deed.
- B. The Grantee, its successors and assigns, covenant and agree that the Grantor shall not be responsible for any costs associated with modification or termination of the notices, use restrictions, and restrictive covenants in this Deed, including without limitation, any costs associated with additional investigation or remediation of asbestos, lead-based paint, or other condition on any portion of the Property.

C. Nothing in this Hold Harmless provision will be construed to modify or negate the Grantor's obligation under the CERCLA Covenant or any other statutory obligations.

6. POST-TRANSFER DISCOVERY OF CONTAMINATION

- A. If an actual or threatened release of a hazardous substance or petroleum product is discovered on the Property after the date of this Deed, Grantee, its successors or assigns, shall be responsible for such release or newly discovered substance unless Grantee is able to demonstrate that such release or such newly discovered substance was due to Grantor's activities, use, or ownership of the Property. If the Grantee, it successors or assigns believe the discovered hazardous substance is due to Grantor's activities, use or ownership of the Property, Grantee will immediately secure the site and notify the Grantor of the existence of the hazardous substances, and Grantee will not further disturb such hazardous substances without the written permission of the Grantor.
- B. Grantee, its successors and assigns, as consideration for the conveyance of the Property, agree to release Grantor from any liability or responsibility for any claims arising solely out of the release of any hazardous substance or petroleum product on the Property occurring after the date of the delivery and acceptance of this Deed, where such substance or product was placed on the Property by the Grantee, or its successors, assigns, employees, invitees, agents or contractors, after the date of this Deed. This section shall not affect the Grantor's responsibilities to conduct response actions or corrective actions that are required by applicable laws, rules and regulations, or the Grantor's indemnification obligations under applicable laws.

7. ENVIRONMENTAL PROTECTION PROVISIONS

The Environmental Protection Provisions are at Exhibit ______, which is attached hereto and made a part hereof. The Grantee shall neither transfer the Property, lease the Property, nor grant any interest, privilege, or license whatsoever in connection with the Property without the inclusion of the Environmental Protection Provisions contained herein, and shall require the inclusion of the Environmental Protection Provisions in all further deeds, easements, transfers, leases, or grant of any interest, privilege, or license.

ENVIRONMENTAL PROTECTION PROVISIONS

The following conditions, restrictions, and notifications will be attached, in a substantially similar form, as an exhibit to the deed and be incorporated therein by reference in order to ensure protection of human health and the environment.

1. FEDERAL FACILITIES AGREEMENT

The Grantee acknowledges that the Grantor has provided it with a copy of the Sierra Army Depot Federal Facility Site Remediation Agreement (FFSRA) dated 30 May 1991. For so long as the Property remains subject to the FFSRA, the Grantee, its successors and assigns, agree that they will not interfere with United States Department of the Army activities required by the FFSRA. In addition, should any conflict arise between the FFSRA and any amendment thereto and the Deed provisions, the FFSRA provisions will take precedence. The Grantor assumes no liability to the Grantee, its successors and assigns, should implementation of the FFSRA interfere with their use of the Property.

2. LAND USE RESTRICTIONS

(1) Notice is hereby given that a Land Use Covenant, pursuant to California Civil Code
section 1471, subdivision (c), have been recorded by the Grantor in County on
, 2004 ("Land Use Covenant"). The Land Use Covenant restricted certain future land
uses (e.g., residential, hospital, schools, and daycare); soil disturbance at or below one (1) foot
below grade without a DTSC approved site safety plan; and removal of soil from the transferred
property without DTSC approval. The restrictions contained in these Land Use Covenants are
hereby incorporated by reference and shall be independently enforceable by the Grantor under this
Deed as a Restrictive Covenant and equitable servitude.

(2) Nothing contained herein shall preclude the Grantee, its successors and assigns, from
undertaking, in accordance with applicable laws and regulations, such additional remediation
necessary to allow the modification or termination of the Land Use Covenant. Any additional
remediation will be at no additional cost to the Grantor and with the Grantor's prior written consent
Upon completion of such remediation required to allow modification or termination of the Land
Use Covenant and upon the Grantee's, its successors and assigns, obtaining the approval of the
California Department of Toxic Substances Control, and, if required, any other regulatory agency,
the Grantor agrees to release or, if appropriate, modify this restriction by executing and recording,
in the same land records of County as the deed, a Partial Release of Covenant. The
Grantee, its successors and assigns, shall bear the cost of recording and reasonable administrative
fees.

3. NOTICE OF THE POTENTIAL PRESENCE OF MUNITIONS AND EXPLOSIVES OF CONCERN (MEC)

- A. The Grantee is hereby notified that due to the former use of the Property as a military installation, the Property may contain munitions and explosives of concern (MEC). The term MEC means specific categories of military munitions that may pose unique explosives safety risks and includes: (1) Unexploded Ordnance (UXO), as defined in 10 U.S.C. §101(e)(5); (2) Discarded military munitions (DMM), as defined in 10 U.S.C. §2710(e)(2); or (3) Munitions constituents (e.g., TNT, RDX), as defined in 10 U.S.C. §2710(e)(3), present in high enough concentrations to pose an explosive hazard.).
- B. The Property was previously used for the functional testing of military munitions and as a buffer area for the former Honey Lake Demolition Range where open burning/open detonation (OB/OD) operations occurred. In March 2005, the Army completed a munitions response on the Property. A subsurface removal to detected depth was completed. The Army investigated all anomalies and removed all metal items larger than a 20 mm projectile (i.e., a metallic object 4/5 inch by 4 inches). A total of 631 DMM (e.g., fuzes and partially detonated munitions) were discovered. All of the DMM except for one were determined to be safe to move and were shipped to Clean Harbors Environmental Services, Colfax, Louisiana for destruction. The one DMM that was determined to be unsafe to move was detonated on site. A summary of MEC discovered on the Property is provided in Exhibit __ [Include FOST Table 2 Notification of Munitions and Explosives of Concern (MEC) as a deed exhibit]. A map depicting the location of munitions response site is provided at Deed Exhibit _____.
- C. The Grantor represents that, to the best of its knowledge, no MEC is currently present on the Property. Notwithstanding the Grantor's determination, the parties acknowledge that there is a possibility that MEC may exist on the Property. If the Grantee, any subsequent owner, or any other person should find any MEC on the Property, they shall immediately stop any intrusive or ground-disturbing work in the area or in any adjacent areas and shall not attempt to disturb, remove or destroy it, but shall immediately notify the Local Police Department so that appropriate explosive ordnance disposal personnel can be dispatched to address such MEC as required under applicable law and regulations.

D. Easement and Access Rights.

(1) The Grantor reserves a perpetual and assignable right of access on, over, and through the Property, to access and enter upon the Property in any case in which a munitions response action is found to be necessary, or such access and entrance is necessary to carry out a munitions response action on adjoining property. Such easement and right of access includes, without limitation, the right to perform any additional investigation, sampling, testing, test-pitting, surface and subsurface clearance operations, or any other munitions response action necessary for the United States to meet its responsibilities under applicable laws and as provided for in this Deed. This right of access shall be binding on the Grantee, its successors and assigns, and shall run with the land.

- (2) In exercising this easement and right of access, the Grantor shall give the Grantee or the then record owner, reasonable notice of the intent to enter on the Property, except in emergency situations. Grantor shall use reasonable means, without significant additional cost to the Grantor, to avoid and/or minimize interference with the Grantee's and the Grantee's successors' and assigns' quiet enjoyment of the Property. Such easement and right of access includes the right to obtain and use utility services, including water, gas, electricity, sewer, and communications services available on the Property at a reasonable charge to the United States. Excluding the reasonable charges for such utility services, no fee, charge, or compensation will be due the Grantee nor its successors and assigns, for the exercise of the easement and right of access hereby retained and reserved by the United States.
- (3) In exercising this easement and right of access, neither the Grantee nor its successors and assigns, as the case maybe, shall have any claim at law or equity against the United States or any officer, employee, agent, contractor of any tier, or servant of the United States based on actions taken by the United States or its officers, employees, agents, contractors of any tier, or servants pursuant to and in accordance with this section. In addition, the Grantee, its successors and assigns, shall not interfere with any munitions response action conducted by the Grantor on the Property.
- E. The Grantee acknowledges receipt of the MEC Munitions Response Statement, June, 2005.

MEC MUNITIONS RESPONSE STATEMENT, June 2005

STATEMENT OF CLEARANCE SIERRA ARMY DEPOT, HERLONG, CALIFORNIA

The following parcel of land on the East Shore Parcel (as indicated in the Finding of Suitability to Transfer (FOST) and the attached two (2) legal descriptions and one (1) map which shows the parcel to be transferred as numbers 5-North East Shore Remainder, and 6-West Airfield Remainder), located within the boundaries of Sierra Army Depot, in Herlong, California, has been given careful search by American Technologies, Incorporated (ATI) under contract to the U.S. Army Engineering and Support Center, Huntsville (Contract DACA87-00-0035, Task Order 0022) and has been cleared of all dangerous and explosive ordnance reasonably possible to detect. All of the scrap was inspected by ATI personnel and certified to be free of explosives. Details of the removal action are contained in the Draft Site-Specific Final Report (Revision 1) dated 21 March 2005.

It is recommended that the North East Shore Remainder and West Airfield Remainder be used for any purpose for which the land is suited. The Army cannot guarantee that 100% of the OE items were recovered. Therefore, it is recommended that reasonable and prudent precautions be taken when conducting intrusive operations in these areas.

This action has been conducted in accordance with AR 385-61, AR 385-64 and AR 405-90.

28 June Ø5

JOHN II. RIVENBURGH

(date)

COL, EN

COMMANDING

U. S. ARMY ENGINEERING AND SUPPORT CENTER, HUNTSVILLE

PAUL R. PLEMMONS

date)

COL, U.S. ARMY

COMMANDER, SIERRA ARMY DEPOT

Attachments

North East Shore Remainder

A parcel of land situated in Sections 20, 29 & 32, Township 28 North, Range 16 East, Mount Diablo Meridian, Lassen County, California, being a portion of those certain parcels identified as the "East Shore Parcel" and "Amadee Airfield Parcel" said parcels are shown and so designated on the Record of Survey entitled "Amadee Airfield Parcel and Amadee Electrical Substation Parcel and East Shore Parcel and Cross Depot Access Parcel at Sierra Army Depot", recorded in Book 38 of Maps, Pages 42 - 51, Official Records of said Lassen County, being more particularly described as follows:

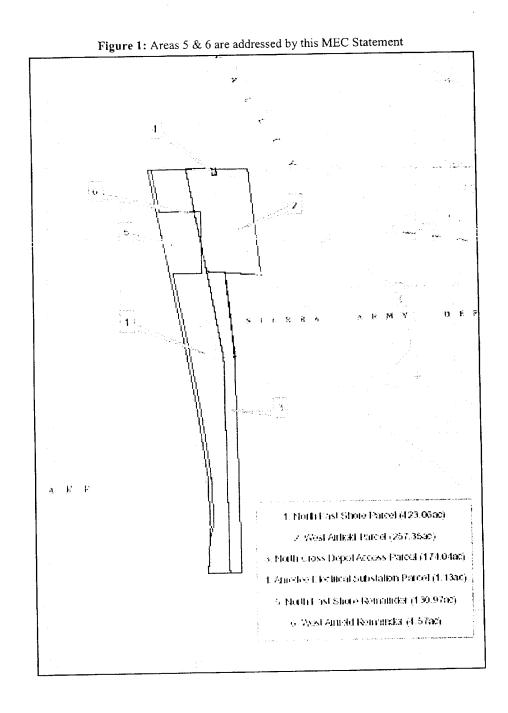
Commencing at the northwest corner of said "East Shore Parcel", also being the Point of Beginning; thence along the north line thereof North 88°52'52" East a distance of 198.00 feet, to the original position for the quarter corner; thence leaving said common line South 6°49'43" East a distance of 48.36, to a point along a barbed wire fence; thence South 9°19'25 East a distance of 1312.39 feet; thence South 8°35'12" East a distance of 553.63 feet, thence South 89°19'58" East a distance of 1912.49 feet, being the line that crosses into the "Amadee Airfield Parcel"; thence South 0°40'7" West a distance of 2800.05 feet, being the line that returns to the East Shore Parcel; thence North 89°19'36" West a distance of 1452.46 feet; thence South 12°16'26" East a distance of 3780.28 feet; thence South 9°1'3" East a distance of 2609.78 feet; thence South 8°0'57" East a distance of 2711.53 feet; thence South 0°0'50" West a distance of 1352.35, to a point along the original western boundary of the "East Shore Parcel"; thence along original East Shore Parcel western boundary North 2°35'59" West a distance of 1424.47 feet; thence North 8°5'59" West a distance of 3000.06 feet; thence North 10°5'59" West a distance of 2733.39 feet; thence North 11°35'59" West a distance of 2666.73 feet; thence North 11°5'59" West a distance of 2400.05 feet; thence North 10°35'59" West a distance of 3000.07, to the Original Point of Beginning and containing 130.968 acres of land, more or less.

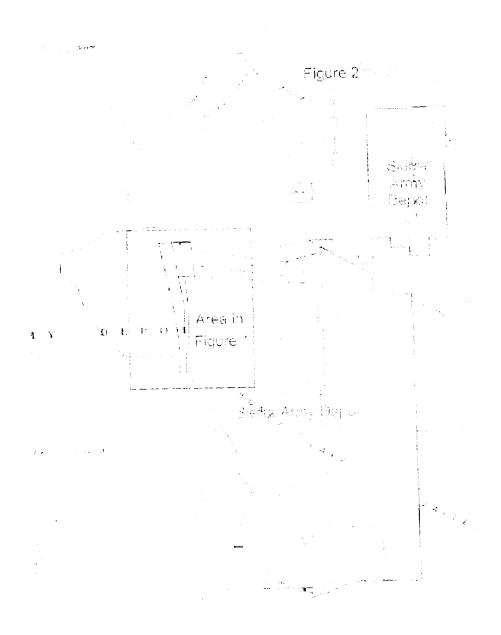
West Airfield Remainder

A parcel of land situate in Section 20, Township 28 North, Range 16 East, Mount Diablo Meridian, Lassen County, California, being a portion of that certain parcel identified as the "Amadee Airfield Parcel" as said parcel is shown and so designated on the Record of Survey entitled "Amadee Airfield Parcel and Amadee Electrical Substation Parcel and East Shore Parcel and Cross Depot Access Parcel at Sierra Army Depot", recorded in Book 38 of Maps, Page 42, Official Records of said Lassen County, being more particularly described as follows:

Commencing at the northwest corner of that certain parcel identified as "East Shore Parcel" of said Record of Survey; thence along the west line thereof South 10°35'59" East a distance of 1,940.12 feet; thence leaving said west line of said "East Shore Parcel", East a distance of 1,685.60 feet to a point on the east line of said "East Shore Parcel" said east line being common to the west line of said "Amadee Airfield Parcel" said point on said common line being the True Point of Beginning; thence from said True Point of Beginning along said common line South 10°27'38" East a distance of 1,493.76 feet; thence leaving said common line North a distance of 1,468.93 feet; thence West a distance of 271.20 feet to said True Point of Beginning and containing 4.572 acres of land, more or less.

End of Description





DDESB APPROVAL OF EXPLOSIVES SAFETY PROVISIONS



DEPARTMENT OF DEFENSE EXPLOSIVES SAFETY BOARD 2461 EISENHOWER AVENUE ALEXANDRIA, VIRGINIA 22331-0600

1 1 AUG 2005

DDESB-KO

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY (ENVIRONMENT, SAFETY AND OCCUPATIONAL HEALTH)

SUBJECT: Finding of Suitability to Transfer East Shore and West Airfield Parcels, Sierra Army Depot, CA

References: (a) Mr. JC King, ODASA(ESOH), E-mail Message, Subject: East Shore II (19 July 05).doc (UNCLASSIFIED), 31 July 2005

- (b) DoD 6055.9-STD, DoD Ammunition and Explosives Safety Standards, 5 October 2004
- (c) DDESB-KO Memorandum, Subject: Conventional Explosives Safety Submission (ESS) for Sierra Army Depot, East Shore Area, Lassen County, CA, 31 March 2004
- (d) DDESB-KO Memorandum, Subject: Amendment 1, Conventional Explosives Safety Submission (ESS), Munitions and Explosives of Concern Removal Action, Sierra Army Depot, East Shore Area, Lassen County, CA, 20 August 2004
- (e) DDESB-KO Memorandum, Subject: Amendment 2 to the Explosives Safety Submission (ESS), Munitions and Explosives of Concern Removal Action, Sierra Army Depot, East Shore Area, Lassen County, CA, 25 February 2005

The DoD Explosives Safety Board (DDESB) Secretariat has reviewed the subject Finding of Suitability to Transfer (FOST) dated July 2005, provided via reference (a), against reference (b) requirements and the munitions and explosives of concern (MEC) response action activities approved by DDESB via references (c) through (e). The FOST addresses the intent to transfer the North East Shore and West Airfield parcels of Sierra Army Depot to the Lassen County Local Reuse Authority (LCLRA), Lassen County, California. Based on our review and the previous DDESB approval for release of this property, we concur with the FOST to transfer the North East Shore and West Airfield parcels of Sierra Army Depot to LCLRA, Lassen County, CA.

The point of contact for this action is Ms. Lydia E. Sanchez, (703) 325-1373, DSN 221-1373, E-mail address Lydia.Sanchez@ddesb.osd.mil.

WILLIAM E. WRIGF

Captain, US Navy

Chairman

cc:

ODASA(ESOH), Attention: Mr. JC King Director, USADAC, Attention: SJMAC-ESM